Supreme Court, U. S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

No. 75-110

BERNARD A. SAKRAIDA,

Petitioner,

versus

AG PRO, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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AG PRO, INC.,
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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

Petitioner-Defendant prays that a Writ of Certiorari issue to review judgments of the United States Court of Appeals for the Fifth Circuit, said Court's opinions and judgments being dated June 25, 1973[1] and April 24, 1975, the Petition for Rehearing filed by Petitioner on May 6, 1975, having been denied by the Court of Appeals on June 9, 1975.

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1 The judgment rendered on June 25, 1973, was not final, as the Court deferred a final decision as to the validity of Respondent's patent pending a determination in the Trial Court of Petitioner's Motion for New Trial pursuant to Rule 60(b) F.R.C.P. based upon newly discovered evidence.

HISTORY OF APPEAL

Two prior opinions of the Court of Appeals for the Fifth Circuit should also be considered. Initially, the Fifth Circuit reversed a summary judgment granted by the District Court (Judge Ernest Guinn) 437 F.2d 99. Thereafter, a full trial was held in the District Court (Judge Ernest Guinn) who again adjudged the patent invalid, but the Fifth Circuit reversed the Trial Court, held the patent valid, and remanded the case for a determination of the issue of infringement. 474 F.2d 167. Before the mandate was issued, Petitioner-Defendant's Motion for New Trial pursuant to Federal Rule 60(b)(2), based upon newly discovered evidence was referred by the Court of Appeals to the District Court for determination. 481 F.2d 668. Judge John Wood entered an Order on February 7, 1974, granting Petitioner-Defendant's Petition for a New Trial based upon newly discovered evidence. For the third time the Court of Appeals for the Fifth Circuit reversed the District Court Order, denied Petitioner-Defendant a new trial based upon newly discovered evidence, held the patent valid, and remanded the case for a determination of the question of infringement. The most recent opinion of the U.S. Court of Appeals for the Fifth Circuit is not yet reported. All of the cited opinions of the Court of Appeals are copied as Appendices A, B, C, and D respectively, infra pp. 1a-29a.

JURISDICTION

The judgment of the Court of Appeals for the Fifth Circuit was made final by the decision rendered on April 24, 1975, and Petitioner's Petition for Rehearing

was finally denied by that Court on June 9, 1975. The Order denying said Petition for Rehearing is appended to this Petition in Appendix E infra p. 30a. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1), and Rule 19.1(b), Revised Rules of the Supreme Court of the United States.

QUESTIONS PRESENTED

(1) Whether the complained of judgments of the Court of Appeals that uphold a combination patent involving a water flush system to remove manure from the floor of a modern dairy barn decide a federal question involving the validity of a patent in conflict with applicable recent decisions of this Court.

(a) Each one of the elements comprising the combination patent in question was admitted by Respondent-Plaintiff as being old. Invention is claimed in the newness of the combination. The addition of a *tank* to hold water at the upper end of a dairy barn floor, which has a dump truck line drop-gate in the form of a piece of steel sheet hinged to the floor, with a catch at the top of the drop-gate so that when the catch is released the gate falls to the floor and the water rushes out, is the basis upon which invention is claimed because the water is introduced onto the floor by such means is claimed as non-obvious over the prior art.

(b) The combination patent not only covers the water tank and drop-gate, but includes also the standard features and arrangement of a modern dairy barn. The patent in question thus extends a monopoly to all

the old, widely used parts of a standard dairy barn, which renders the claim void because of over claim.

(2) Whether the Court of Appeals erred in setting aside Trial Court findings to the effect that this combination did not show invention, and did not meet the test of non-obviousness when viewed by the standard prescribed for Rule 52 F.R.C.P.

(3) Whether the Court of Appeals erred in setting aside Trial Court findings that Petitioner-Defendant was entitled to a new trial because of newly discovered evidence, the evidence introduced being sufficient to rebut any presumption of validity of the patent, when viewed against the standard prescribed by Rule 52 F.R.C.P.

THE LAW INVOLVED

The reason urged by Petitioner for reversing the Court below is that its holding decides a federal question in a way in conflict with applicable decisions of this Court. Rule 19(1)(b) Rules of the Supreme Court of the United States.

The law basically is Art. I §8 cl. 8, *The Constitution of the United States of America*, and 35 U.S.C. §§101, 102 and 103. It is more specifically to be found in the decisions of the Supreme Court of the United States in *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 82 L.Ed.2d 1008; *Great Atlantic & Pacific Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 95 L.Ed. 162; *Graham v. John Deere Co.*, 383 U.S. 1, 15 L.Ed.2d 545; and *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 393 U.S. 57, 24 L.Ed.2d 258.

Each element of the patent is admittedly old, and Respondent-Plaintiff's only contention is that the placing of an ordinary steel tank, having a simple drop-gate hinged in the floor, and held in place by a simple latch, at the upper end of the dairy barn floor is novel, nonobvious and patentable. Petitioner-Defendant, relying on the authorities above cited, says this combination patent has nothing new in it, and that the use of a steel tank, with a simple drop-gate to release the water in the tank, is not novel, does not meet the test of non-obviousness, and does not constitute innovation which will "promote the progress of . . . useful art", and that the patent is void for claiming more than the applicant even claims to have invented, i.e., it claims the entire lay-out of a standard dairy barn.

A summary of the law involved, as found in the cited cases, is:

In *Lincoln Eng. Co. v. Stewart Warner Corp.*, the Court held the mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not a patentable invention. And the improvement of one part of an old combination gives no right to claim that improvement in combination with other old parts which perform no new function in the combination.

In the *A & P Tea Co.* case, the Court held invalid a combination patent, where all of the elements were old, nothing new or novel was added, and where the extension of the counter involved, which was said to

serve a new function, was not in itself patentable. It was said that combination patent claims should be scrutinized with a care proportioned to the difficulty and improbability of finding an invention in an assembly of old elements; and that patents cannot be sustained when their effect is to subtract from former resources freely available to skilled artisans. The opinion states that commercial success without invention will not make patentability. These holdings are applicable to the instant case, and govern it.

The *A & P Tea Co.* case is followed in the *Graham v. John Deere Co.* case, referring to the Constitutional standard, 383 U.S. at p. 6, giving emphasis to §103 at p. 14, and concluded it did not meet the non-obvious test, pp. 24-26.

The *Anderson's-Black Rock* case, follows the *A & P Tea Co.* case, and the *John Deere Co.* case, citing §103, and holds the combination patent there involved was invalid, because, although commercially successful, it did not create something new or novel, and did not meet the test of nonobviousness.

The *Great Atlantic & Pacific Tea Co.* case also holds that where the claim of the patent includes more than the patentee claims to have invented, there is an overclaim which renders the patent void.

The law as set forth in these authorities are applicable to, and control the instant case, because here we have a patent where all the elements are admittedly old, and where the claim of newness in the combination relates to an ordinary steel tank with a

simple drop-gate; and because there is an obvious overclaim in covering all parts of a standard dairy barn.

Rule 52, F.R.C.P., which states that Trial Court findings of fact are not to be set aside unless they are clearly erroneous, must also be considered in light of the two most recent opinions by the Court of Appeals. Rule 52, F.R.C.P., is applicable both to the findings of fact of the Trial Court following a trial on the merits of the validity of the patent held on the 13th day of December, 1971, as well as the findings of fact by the Trial Court on the Motion for New Trial held on February 7, 1974. In each case, the Court of Appeals reversed Trial Court findings that invalidated the patent and that had allowed Petitioner-Defendant a new trial for newly discovered evidence. In each case, the findings of fact of the Trial Court were amply supported by the evidence of record.

STATEMENT

This action involves the validity of Patent No. 3,223,-070 issued December 14, 1965, on the application of Donald Joseph Gribble and Henry E. Bennett, application having been filed November 5, 1963, and which patent related to the design and construction of a dairy barn, including a means for washing the dairy barn floor in order to wash off the cow manure.

Claims 1 and 3 set out the items covered by the patent, and which are involved in this action. The said Claims 1 and 3 read as follows:

"1. A dairy barn for cows and the like including a smooth, evenly contoured paved surface forming a floor providing a walking surface for cows in the barn, drain means for draining wash water from such floor opening to the top of the floor said smooth, evenly contoured surface which forms such floor sloping toward said drain means whereby wash water discharged on the floor may be collected and disposed of through said drain means, said barn further including multiple rest areas with individual stalls for each cow and with each of said stalls having a bottom which is also of smooth pavement, but which is disposed at an elevation above the paved surface forming the floor, said stalls being dimensioned so that a cow can comfortably stand or lie in the stall, but offal from the cow falls outside the stall bottom and onto the floor providing the walking surface in the barn, said barn further including defined feeding areas having feeding troughs with means for discharging feed to the troughs, a cow-holding area, a milking area and a transfer area all bottomed with the walking surface forming said floor in the barn, and floor-washing means for washing the floor providing the walking surface in the barn where said floor bottoms said feeding, holding, milking and transfer areas operable to send wash water flowing over the floor with such water washing any cow offal thereon into said drain means, said floor-washing means including means located over a region of said floor

which is uphill from said drain means constructed to collect water as a pool above said floor and operable after such collection of water as a pool to disperse the water as a sheet of water over said floor.

"3. The barn of claim 1, wherein said floor-washing means comprises a dam for damming and collecting water as a pool directly on the floor, and such dam is abruptly openable to send such water as a sheet over the floor toward said drain means." App. I, pp. 89, 90.[2]

The Trial Court's Findings of Fact set out the 13 separate items listed in this combination patent, App. I, 164-166, and the Findings state each element is old, App. I, 166. The Findings reviewed each element, as being old, and found that the tank referred to in claim 3 was, in Mr. Gribble's testimony, admitted to be simply a place that holds water than can be dumped out on the floor, to flow down the floor. App. I, 170. The Trial Court found all elements were old, App. I, p. 171, and that the use of the tank was a simple matter, and was lacking in novelty. App. I, 172. The Court's Findings were fully supported by the evidence, as the following statement shows. Petitioner says that the Court of Appeal's judgment reversing the District Court was contrary to and in violation of Rule 52, F.R.C.P.

Respondent, Plaintiff in the Trial Court, admits this is a combination patent. In Respondent's response to Defendant's Motion for a Summary Judgment, it was

2 The Appendix in No. 72-1108 will be referred to as "App. I", and the Appendix in No. 74-1712 will be referred to as "App. II".

said Plaintiff does not deny the patent is made up of a combination of old elements, App. I, p. 157; and further Plaintiff admits all of the elements are individually old. App. I, p. 158. Mr. Gribble, one of the patentees and president of the Respondent company, in his testimony admitted that each one of the elements in this patent is old in the dairy business, and existed long before 1963. App. I, pp. 218, 219. He further admitted that washing dairy barn floors is old "using hoses and those methods" and also by using pipes and valves and sprays and sprinklers. App. I, p. 223. The only thing to be new is the method of introducing water onto the barn floor, but he admitted water had been used for this purpose long before 1963, the year in which the application for the patent was filed. App. I, p. 224. The record also contains a statement made on behalf of Respondent that Plaintiff does not deny that the patent is made up of a combination of old elements App. I, p. 251, and again, Plaintiff admits that all the elements are individually old, App. I, p. 252, but claiming that the combination itself is new. App. I, p. 252.

Insofar as the novelty, and the nonobviousness of this combination is concerned, a look at claim 1 will show a design for a dairy barn floor consisting of elements all of which Respondent admits are old, and which Mr. Gribble testified he put in claim 1 only to "frame the water flush system" and to which he also has as the last thing described in claim 1 "and floor washing means for washing the floor providing the walking surface in the barn where said floor bottoms, said feeding, holding, milking and transfer areas operable to send wash water flowing over the floor with such water washing any cow offal thereon into

said drain means, said floor washing means including means located over a region of said floor which is uphill from said drain means constructed to collect water as a pool to disperse the water as a sheet of water over said floor." App. I, p. 89. Claims 2 and 3 merely describe how the water is to be collected and released onto the barn floor and claim 3, which is involved in this action, reads:

> "The barn of claim 1, wherein said floor washing means comprises a dam for damming and collecting water as a pool directly on the floor, and such dam is abruptly openable to send such water as a sheet over the floor towards said drain means." App. I, p. 90.

By this the patentee means a tank, steel tanks actually being used, with a gate or dam made of a piece of steel plate across one side of the tank, hinged into the floor, and secured at the top by a latch which can be knocked loose, permitting the steel plate comprising the dam or gate to drop — it actually being a drop-gate — and thus permitting the waters to flow out onto the barn floor. The tank and gate with the latch securing it are shown in Figure 10, App. I, p. 86.

It is undisputed that the use of tanks for purposes of holding water at a dairy is not new. App. I, p. 86. Mr. Gribble admitted that tanks such as described in his patent can be used as water troughs and in some places are used as water troughs, App. I, p. 226, and that such tanks have long been used in the dairy business, App. I, p. 227, except that he claims the paraphernalia to obtain the abrupt release of the contents of the tank had not been so used. App. I, p. 227.

That Respondent's use of such a tank, admittedly old in the dairy business, by hinging a steel sheet, forming one side, or a part of one side of the tank, into the floor, secured by a latch at the top which could be released permitting this steel gate to drop down to the floor, does not meet the test of novelty or of nonobviousness is apparent from the simplicity of this arrangement, and from the admissions of Mr. Gribble. He admitted that the said gate, which he sometimes referred to as a hinge water dam, was merely a steel sheet that was hinged in the floor with a latch at the top so that the latch can be knocked loose and the gate will fall down and the water will rush out. App. I, p. 227. He admitted this was a proper description of it and upon being asked, "You don't claim there is anything too imaginative about this dam or gate, do you, and the way it is hinged into the floor and the way this latch is up there at the top to hold it and open it?" To which he replied, "Well, Mr. Hulse, you should have been an engineer. You grasp these things in a second. It took us months to conceive and develop it. Yes, there was a good bit of thought and time and energy and trial and error type work that went on into the development of this system as it evolved." App. I, p. 228. But the tank and the drop-gate obviously are not new, are not novel, and could be made, as a simple matter, by a mechanic.

The Court of Appeals returned this case to the District Court for it to hear and make its decision on a question of newly discovered evidence. Appendix B. The Trial Court, at the conclusion of such hearing, entered an order, in which the Trial Court found, (1) that "flushing system" of this patent is not new or novel, and does not meet the test of nonobviousness;

that your Petitioner exercised due diligence, and that the evidence presented by him to the Court on the hearing of the Motion for a New Trial was discovered purely by chance in January, 1973, and the Trial Court granted the Motion for a New Trial, App. II, pp. 265, 266, which order of the Court, and Appendix II, were forwarded to the Court of Appeals, which reversed the Trial Court's order, Appendix A. Your Petitioner says the evidence supported the Trial Court's Order, and that the Court of Appeals' judgment reversing said order was contrary to and in violation of Rule 52, F.R.C.P.

REASONS WHY THE WRIT SHOULD BE GRANTED

The Writ should be granted because (1) a Federal question is involved and (2) the judgment of the Court of Appeals in this case is in conflict with, and is contrary to, the decisions of the Supreme Court of the United States in the cases hereinabove cited.

The question at hand is the validity, or not, of a combination patent, each element of which is admittedly old, and the aggregation of which perform no new or different function than theretofore performed by them. The Court of Appeals in reversing the Trial Court, and in holding said patent valid held contrary to the decisions of this Court in the cases above cited. This combination patent is of a kind that makes pertinent the reference in the *A & P Tea Co.* case, 340 U.S. 147 to the improbability of finding an invention in an assembly of old elements.

Claim 1 of the patent in question lists as its elements to the various parts of a customary dairy barn, such as

a hard surfaced (concrete) contoured floor, a drain for water used in washing the floor, individual stalls for each cow at an elevation above the floor, a cow holding area, a milking area, and so on. App. I, p. 89. Dairy barn floors have long been washed off with water, by one means or another. Respondent admits its patent is a "combination" patent, App. I, pp. 157, 158, 218, 219, and that all the elements in it are old. App. I, pp. 218, 219. A reading of claim 1 will show that Respondent now has a patent that covers the floor plan and design on which dairy barns have long been built. Respondent now asserts it has the right to exclude the public from the construction and use of such a dairy barn, by reason of this patent, contrary to what was said in that respect in *Lincoln Engineering*, 303 U.S. at 547. It subtracts from former resources freely available to skilled artisans, contrary to what was said in *A & P Tea Co.*, 340 U.S. at 152. The Petition for a Writ of Certiorari should be granted so that the judgment in this case may be made to conform to, instead of conflict with, the judgments of this Court in the cases referred to above.

LACK OF NOVELTY AND NONOBVIOUSNESS

There is nothing new in this combination patent. Respondent admits all elements of its patent are old. It claims something new about using a steel tank with a simple drop-gate in connection with washing the floor. But even this does not meet the test of novelty or the test of nonobviousness. The tank is an ordinary steel tank, similar to tanks long used on dairy farms for watering troughs, App. I, pp. 226, 227, and in itself is not new. It has on one side a simple drop-gate, made of a piece of sheet steel, hinged to the floor, and secured

at the top by an old-fashioned latch. There is nothing new or novel about a steel tank, or a simple drop-gate on one side of it. Drop-gates have long been in use for various purposes. App. I, pp. 228, 229. The use of such a tank to collect and release waters to wash the barn floor is not novel, and is not nonobvious. It is at least as simple a thing to do as was the improvement in a coupling member in *Lincoln Eng. Co.*, supra, or the improvement in the counter extension in *A & P Tea Co.*, supra, or the improvement in a shank plan, in *John Deere Co.*, supra, or in the radiant burner pavement layer in *Anderson's-Black Rock, Inc.*, supra. It is not "innovation . . . so as to promote the progress . . . useful art."

The conflict of the Court of Appeal's opinion in the instant case with the decisions of the Supreme Court of the United States is apparent in the *Anderson's-Black Rock* case. There a combination patent was involved, wherein a radiant-heat burner was placed on the front of a standard paving machine used for laying asphalt. The combination, i.e., the addition of the radiant-heat burner served a useful purpose and was a commercial success. No one seems to have done this before. Just as in the instant case, the District Court held it did not involve invention, and that the patent was invalid. The Court of Appeals reversed. The Supreme Court, however, held the combination was reasonably obvious to one with ordinary skill in the art, and added, further on, "Congress may not authorize the issuance of patents whose effects are to remove existent knowledge from the public domain, or to restrict free access to materials already available." This Petition should be granted so that the

judgment in this case may be made to conform to, and not conflict with, the judgments of this Court in the cases above cited.

OVERCLAIM

Claim 1 of the patent covers the entire layout of a dairy barn, while the contention of Respondent is only that the water tank and drop-gate, and its position on the dairy barn floor constitutes the invention. Most of claim 1 therefore is an overclaim, and this Petition for a Writ of Certiorari should be granted in order to make the judgment in this respect conform to, and not conflict with, the holding on this point in the *Great A & P Tea Co.* case.

CONFLICT WITH RULE 52, F.R.C.P.

This case was tried before one District Judge in September 1971, and on September 23, 1971, he made his Findings of Fact, App. I, pp. 164-172, which supported the judgment entered by the Court in favor of your Petitioners. These Findings were supported by evidence, as the statement hereinabove shows.

On the question of newly discovered evidence, a hearing was held February 6, 1974, before a *different* District Judge. He thereafter made his Findings of Fact, set out in the Court's order of February 7, 1974, in favor of your Petitioner, and granting your Petitioner a new trial. App. II, p. 265. These Findings likewise were supported by the evidence presented at the hearing on February 6, 1974.

The Court of Appeals, nevertheless, set aside the Findings of the Court dated September 23, 1971, and also the Findings contained in the order of February 7, 1974. In so doing, the Court of Appeals acted contrary

to the provisions of Rule 52, that Findings of Fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the Trial Court to judge of the credibility of the witnesses. This Petition should be granted, to correct two judgments below which, under these circumstances, do obvious violence to Rule 52.

This Petition for a Writ of Certiorari therefore should be granted so that this Honorable Court can correct these errors on the part of the Court below.

CONCLUSION

For the reasons set forth above, it is respectfully submitted that this Petition for a Writ of Certiorari should be granted.

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Attorney for Petitioners

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above and foregoing Petition has this date been served upon opposing counsel of record by placing same in the United States Mail, postage prepaid and properly addressed.

July ____, 1975.

_____

JAMES F. HULSE

APPENDIX A

AG PRO, INC., Plaintiff-Appellant,

versus

Bernard A. SAKRAIDA, Defendant-Appellee.

No. 74-1712.

United States Court of Appeals, Fifth Circuit.

April 24, 1975.

Appeal from the United States District Court for the Western District of Texas.

Before BROWN, Chief Judge, and GODBOLD and CLARK, Circuit Judges.

CLARK, Circuit Judge:

Today marks the third appellate appearance of this claim for infringement of a patented dairy barn flushing system. This suit for infringement of patent 3,223,070 was originally brought by Ag Pro, Inc., in 1968. A summary judgment on defendant Sakraida's motion provoked the first appeal. This court reversed and remanded for trial on the merits.[1] The second appellate go-around was an appeal from an adjudication of patent invalidity. We again reversed, but this time remanded specially for a trial court resolution of the defendant's appellate court motion for a new trial

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1 Ag Pro, Inc. v. Sakraida, 437 F.2d 99 (5th Cir. 1971). (*Ag Pro I*)

under Fed.R.Civ.P. 60(b)(2) based on newly discovered evidence of patent invalidity.[2] The district court granted the motion. Because in our view, the record on the motion establishes that defendant failed to exercise due diligence to discover the new evidence prior to entry of the former judgment, we once more reverse.

Our mandate in *Ag Pro II* directed the district court to enter a judgment holding the patent valid, hold a hearing on and determine Sakraida's Rule 60(b)(2) motion and, without more, certify the motion hearing record to this court. These functions have been duly accomplished, and the matter is back with the record of those supplemental proceedings. At the conclusion of its hearing the district court found that the new evidence adduced by Sakraida standing alone would produce a different result, that Sakraida had exercised due diligence and could not have discovered the evidence in time to move for a new trial under Fed.R.Civ.P. 59(b).

The patent in suit relates to a dairy barn flushing system. It involves the construction of slightly sloping barn floors which incorporate a means for storing and quickly releasing a volume of water on the floor. When the floor is flooded, it is cleansed of manure and debris without hand labor. In *Ag Pro II* we found that this system met the requirements of novelty, usefulness, and nonobviousness to qualify as a valid patent.

Sakraida's newly discovered evidence consists of alleged prior art which would purportedly invalidate

2 Ag Pro, Inc. v. Sakraida, 5 Cir., 474 F.2d 167, rehearing denied, 5 Cir., 481 F.2d 668 (1973). (*Ag Pro II*)

the patent. At the hearing below Sakraida testified that purely by chance he met Hubert Meyer the owner of Mission Dairy after the time he could have moved for a new trial under Rule 59(b) had expired. After learning of Sakraida's litigation, Meyer told Sakraida that Meyer's Mission Dairy contained a flushing system which was substantially identical to the patented system. Meyer also furnished Sakraida at that time with the names of other persons who could testify to the state of the art in water flush systems. Sakraida testified that this was the first time he had full knowledge of these facts. However, the evidence clearly establishes that prior to the original trial Sakraida was aware that Mission Dairy was using a flushing system that was a possible source of prior art. In addition, Sakraida had requested W. C. Fairbanks, an agricultural expert, to advise him on the state of the art. Fairbanks testified that he told Sakraida or his attorney sometime before October, 1969 of the existence of the Mission Dairy and its possible importance. It is without dispute that Sakraida considered the Mission Dairy information important enough to request an associate, Aubrey Wisdom, to visit the Mission Dairy to examine the flushing system. Wisdom went to the dairy and asked to see the system on Sakraida's behalf. The manager of Mission Dairy stated to Wisdom that he did not want to get involved and that he did not think it was right for him to show Wisdom the flushing system. It is further undisputed that at that same time Mission Dairy was open to the general public. Meyer testified that he had asked the manager not to answer questions about the equipment, but that access to visit the dairy was never denied anyone. After learning of Wisdom's rebuff, Sakraida abandoned

further inquir as to the Mission Dairy flushing system until his post-trial chance encounter with Meyer.

Sakraida contends that these facts demonstrate that he made a good faith effort to inquire into the facts surrounding Mission Dairy. He claims that the information given to him about this installation was based on rumor and hearsay, and that he could not pursue every possible lead to sources of prior art. The problem for Sakraida's contention is the high standard of proof required to substantiate Rule 60(b)(2) relief.

A motion for a new trial under Fed.R.Civ.P. 60(b)(2) is an extraordinary motion and the requirements of the rule must be strictly met. Strauss v. United States, 337 F.2d 853 (1964). The motion may not be granted unless (1) the evidence was discovered following the trial; (2) due diligence on the part of the movant to discover the new evidence is shown or may be inferred; (3) the evidence is not merely cumulative or impeaching; (4) the evidence is material; (5) the evidence is such that a new trial would probably produce a new result. Ladet v. United States, 297 F.2d 737, 739 (5th Cir. 1962).

This reasoning is apropos to patent litigation. *See* Valmont Industries, Inc. v. Enresco, Inc., 446 F.2d 1193 (10th Cir. 1971) in which the court held that a diligent search would have disclosed a prior German patent and, therefore, denied the Rule 60(b)(2) motion on the ground that due diligence was not exercised. *See also*, United States v. 41 Cases, 420 F.2d 1126 (5th Cir. 1970); Stiers v. Martin, 277 F.2d 737 (4th Cir. 1960); and Greenspahn v. Joseph Seagram & Sons, Inc., 186 F.2d 616 (2d Cir. 1951).

Sakraida's expert suggested Mission Dairy as a possible source of prior art. Sakraida accorded sufficient soundness to this advice to send an associate to examine the dairy. Under the facts of this case, Sakraida's duty did not end with the Mission Dairy manager's refusal to show the flushing system to Wisdom. No effort was made to contact Meyer, the owner; and judging from his present full cooperation, there is no reason to believe that he would have been reluctant to give Sakraida the information. Even if Meyer had refused, discovery procedures could have been initiated. For that matter, Wisdom or Sakraida could have visited the dairy along with other members of the public who were then being permitted to view the premises. The invention would have been generally open and obvious. In short, the exercise of a reasonable amount of diligence would have armed Sakraida with the same information he belatedly seeks to put before the court.

That spirit of finality which is implicit in all judgments, commands that courts be cautious in exercising the discretion vested in them to reopen proceedings for a new trial based on newly discovered evidence. While the sound discretion of a district judge in granting such a motion is not to be reversed except for clear abuse of discretion, Lloyd v. Gill, 406 F.2d 585 (5th Cir. 1969), that exercise is not free from review. In the case at bar, the evidence produced to show due diligence by Sakraida, taken in a light most favorable to the finding by the court below that the judgment following a completed trial should be set aside, is insufficient. The "new" facts were easily available prior to the trial, and the defendant had reliable information

that they were so available. His half-hearted effort to uncover them is legally not enough. Sakraida did not exercise due diligence in preparation of his prior art defense. The grant of a new trial accordingly must be reversed. Our prior determination of patent validity is reaffirmed and the case is remanded for further proceedings on the issue of infringement in accordance with our mandate in *Ag Pro II*. Neither singly nor *in solido* should our reversals be taken as intimating any view on the merits of the remaining issue or upon the admissibility or probity of this "new" information in the trial thereof.

Reversed and remanded.

APPENDIX B

AG PRO, INC., Plaintiff-Appellant,

v.

Bernard A. SAKRAIDA, Defendant-Appellee.
No. 72-1108.

United States Court of Appeals,
Fifth Circuit.

June 25, 1973

Rehearing Denied July 13, 1973.

ON PETITION FOR REHEARING

Before RIVES, WISDOM and RONEY, Circuit Judges.

PER CURIAM:

In his petition for rehearing, Defendant-Appellee Sakraida seeks a remand of the issue of patent validity based on newly discovered evidence. His request is the substantial equivalent of a motion under Rule 60(b)(2), F.R.Civ.P., requesting relief from a final judgment because of newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under Rule 59(b), F.R.Civ.P. See Bros. Incorporated v. W. E. Grace Manufacturing Co., 5th Cir. 1963, 320 F.2d 594, 607. In Ferrell v. Trailmobile, Inc., 5th Cir. 1955, 223 F.2d 697, 699, this Circuit adopted the following view of the District of Columbia Circuit, expressed in Smith v. Pollin, 1952, 90 U.S.App.D.C. 178, 194 F.2d 349, 350:

> "that, when an appellant in a civil case wishes to make a motion for a new trial on the ground of newly discovered evidence while his appeal is still pending, the proper procedure is for him to file his motion in the District Court. If that court indicates that it will grant the motion, the appellant should then make a motion in this court for a remand of the case in order that the District Court may grant the motion for new trial."

We think that procedure should be employed in this case, but with such modifications as are needed to fit the peculiar circumstances of the case. The movant, Sakraida, is the *appellee*. This Court, on February 5, 1973, reversed the judgment in his favor and found the patent valid. However, the mandate has not been issued, because Sakraida filed a timely petition for

rehearing, attacking that decision on several grounds.[1]

Thus the appeal is now pending on Sakraida's petition for rehearing.[2] Unless our present decision is changed on rehearing, the mandate of this Court, when ultimately issued, will permit such further proceedings as may be appropriate for a determination of the issue of infringement. As has been recognized by the district court, validity of the patent should be determined before ruling is made on infringement. Exercising our broad authority under 28 U.S.C. § 2106 to "require such further proceedings to be had as may be just under the circumstances," we would unravel the procedural tangle to "secure the just, speedy and inexpensive determination of * * *"[3] this action.

Accordingly, the case is remanded to the District Court with directions to enter a judgment holding the patent valid, subject, however, to that Court's consideration of a motion under Rule 60(b)(2), F.R.Civ.P., to be filed in the District Court by the defendant Sakraida on the issue of patent validity based on newly discovered evidence. The District Court will hear and determine said motion before proceeding on the issue of infringement. The District Court will then certify to this Court the entire record, including its opin-

1 The grounds, other than the claim of newly discovered evidence, we find to be without merit.

2 If the mandate had issued, a different procedure would govern the district court's consideration of a Rule 60(b)(2) motion. See Moore's Federal Practice (2nd ed.) § 60.30[2], p. 426; Barron & Holtzoff, Federal Practice & Procedure (Wright ed.), § 1332, p. 437.

3 See Rule 1, F.R.Civ.P.

ion and order and the testimony taken on the new trial issue. Thereafter, the parties will be given opportunity to file supplemental briefs and this Court will enter its decision determining the issue of patent validity based on newly discovered evidence, and directing the entry of a judgment either holding the patent to be invalid or holding the patent to be valid, and remanding the case for a determination of the issue of infringement and for such further proceedings as may be appropriate, consistent with this opinion.

So ordered.

APPENDIX C

AG PRO, INC., Plaintiff-Appellant,

v.

Bernard A. SAKRAIDA, Defendant-Appellee.

No. 72-1108.

United States Court of Appeals,
Fifth Circuit.
Feb. 5, 1973.

Before RIVES, WISDOM and RONEY, Circuit Judges.

RIVES, Circuit Judge:

Ag Pro, Inc., plaintiff-appellant (hereafter plaintiff), sued Sakraida, defendant-appellee (hereafter defen-

dant), for infringement of the D. J. Gribble, et al. (hereafter Gribble/Bennett) Patent 3,223,070, titled "Dairy Establishment." On the first hearing the district court granted defendant's motion for summary judgment. This Court reversed and remanded for a trial on the merits. Ag Pro v. Sakraida, 5 Cir., 1971, 437 F.2d 99.

On remand the trial was commenced and completed on the same day. The district court received suggested findings of fact and conclusions of law from both sides, adopted those of the defendant, and adjudged

> "* * * that said Patent No. 3,223,070 held by Plaintiff does not constitute invention, is not patentable, and is not a valid patent, it being a combination patent, all of the elements of which are old in the dairy business, long prior to 1963, and the combination of time as described in the said patent being neither new nor meeting the test of non-obviousness, Defendant is entitled to judgment."

(App. 175.)

Having held the patent invalid, the district court did not determine the issue of infringement. We reverse and remand.

The patent is limited to the construction and arrangement of the floor areas of the barn and the means for storing a volume of water on or immediately above the floor so that, when the water is suddenly released, it will clean all of the barn floor areas

without the use of hand labor. According to the letters patent, all barn floor areas can be thoroughly cleaned in a very few minutes, where previously it took hours of labor and use of larger quantities of water to achieve an inferior result. The patent contains three claims, but only Claims 1 and 3[1] are here involved. (App. 18.) In simplified form, those two claims call for a dairy barn having the following elements:

1) A paved, sloped barn floor with downhill drains;

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1 "Claim 1. A dairy barn for cows and the like including a smooth, evenly contoured paved surface forming a floor providing a walking surface for cows in the barn, drain means for draining wash water from such floor opening to the top of the floor, said smooth, evenly contoured surface which forms such floor sloping toward said drain means whereby wash water discharged on the floor may be collected and disposed of through said drain means, said barn further including multiple rest areas with individual stalls for each cow and with each of said stalls having a bottom which is also of smooth pavement, but which is disposed at an elevation above the paved surface forming the floor, said stalls being dimensioned so that a cow can comfortably stand or lie in the stall, but offal from the cow falls outside the stall bottom and onto the floor providing the walking surface in the barn, said barn further including defined feeding areas having feeding troughs with means for discharging feed to the troughs, a cow-holding area, a milking area and a transfer area all bottomed with the walking surface forming said floor in the barn; and floor-washing means for washing the floor providing the walking surface in the barn where said floor bottoms said feeding, holding, milking and transfer areas operable to send wash water flowing over the floor with such water washing any cow offal thereon into said drain means, said floor-washing means including means located over a region of said floor which is uphill from said drain means constructed to collect water as a pool above said floor and operable after such collection of water as a pool to disperse the water as a sheet of water over said floor."

"Claim 3. The barn of claim 1, wherein said floor-washing means comprises a dam for damming and collecting water as a pool directly on the floor, and such dam is abruptly openable to send such water as a sheet over the floor toward said drain means." (App. 89, 90.)

2) individual cow stalls elevated above floor level but designed to facilitate accumulation of cow excrement on the dairy floor;

3) paved feeding and milking areas integrated into the flush system;

4) a dam which collects water in a pool uphill from or directly on the dairy floor and abruptly openable to send a sheet of water cascading through the dairy sweeping the manure to the downhill drains.

Admittedly, all the elements are old. However, prior to this patent, the concept of a controlled sheet of water to do the scouring and washing of the floor had not been used in barn construction. The prior art involved the use of spot delivery of water by high pressure hoses. None of the prior art documents shows a floor washing means constructed to collect a pool of water uphill from or on the floor so that, when the water is abruptly released, it will flow as a sheet to wash almost instantaneously all barn floor areas and discharge cow offal into drains. That is the crucial element of this patent.

The plaintiff's patent is a modest commercial success. Over 70 dairies spanning the United States now utilize the patented manure flush system. Each installation is licensed under the patent pursuant to a one-payment, standard fee of $1500.00 plus $1.00 per cow. (App. 190, 191.)

A valid patent must be, not only novel and useful, but also nonobvious. 35 U.S.C. § 103. While the ul-

timate question of patent validity is one of law, a determination of nonobviousness rests on several basic factual inquiries. Those inquiries, prompted by § 103, are three in number.

> "Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved."

Graham v. John Deere Co., 1966, 383 U.S. 1, 17, 86 S.Ct. 684, 694, 15 L.Ed.2d 545.

The crucial issue of obviousness can only be resolved through reference to the precise facts presented, not through logical or intuitive analysis distorted by the invention's simplicity and retrospective self-evidence.

In the instant case, plaintiff presented cogent and convincing evidence that the gap between its patented system and the prior art was wide and ultimately bridged only by the inventive powers of Gribble and Bennett. In contrast, defendant did not supplement the prior art references initially available to the Patent Office, nor did he cite examples of simultaneous solutions. Instead, he merely relied upon three conclusory affidavits and the testimony of one witness who admitted that no similar device existed in the prior art. (App. 246).

A short sketch of the evidence available to the trial court will highlight the lopsided factual foundation on

which the determination of the patent's validity must rest.

(1) *Evidence Presented by Defendant*

While considering the Gribble/Bennett patent application in 1963, the Patent Office examiner had before him nine prior art patents and two prior art publications. Defendant introduced into evidence the two publications and only five of the patents. (Def. Exhibits 2, 3, 4, 5, 6, 7 and 8.) No other specific example of the prior art was revealed by defendant at trial.

Instead, defendant's meager presentation consisted of three cursory affidavits attached to the original motion for summary judgment and the solitary testimony of Mr. Robert Price at trial.

The three affiants, Sakraida, W. C. Fairbanks and Archie Sharp, each swore to have knowledge of prior flush systems analogous to the Ag Pro patent, and each volunteered the subjective judgment that appellant's invention was obvious. (App. 91-102.) These simplistic statements, rendered without the aid of cross-examination and devoid of specific illustrations of similar inventions, add little to an understanding of the prior art.

Defendant's single trial witness, Mr. Robert Price, who runs a dairy in El Paso, Texas, testified that certain elements of appellant's patented invention were known to the prior art, specifically, paved, sloped floors with downhill drains and raised stalls. (App. 239-249). Yet, Mr. Price admitted that the patented dam-release flooding technique was novel even to him.

(2) *Evidence Presented by Plaintiff*

In contrast to defendant's paltry factual presentation, plaintiff developed a full and lucid view of both the prior art and its own inventive "breakthrough." Plaintiff skillfully juxtaposed the prevalent pre-1963 cleaning techniques with its own flush system and painted a convincing picture of a nonobvious advance.

Plaintiff supplemented its vivid documentary evidence, including picture brochures, magazine articles and a short film strip, with the testimony of George Huber, a retired agricultural engineer from the University of Oregon. Mr. Huber, properly qualified as an expert witness, provided the only technical analysis of the prior art. Mr. Huber carefully examined each of the five patents and two articles cited by defendant as representative of the prior art.[2]

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2 Mr. Huber's scrutinization of defendant's prior art references appears in the Appendix at pages 268 and 272 and includes the following findings:

(1) The magazine article proffered by Sakraida, "Cattle Shelters and Equipment for South Carolina," Extension Agricultural Engineering Handbook No. 2 (82), merely describes a dairy barn floor plan and does not discuss cleaning procedures.

(2) Defendant's second publication, "The Way Cow's Will Be Milked on Your Farm Tomorrow" by Babson Brothers Dairy Research Service, describes loose housing which requires either scraping or pressure hosing of manure.

(3) The Luks Patent, No. 1,968,564 (1934) deals with a movable milking apparatus with gutters and drains, but no dam.

(4) The Kreutzer Patent, No. 1,981,417 is a combination animal housing-feeding structure, but does not embrace cleaning procedures at all.

(5) The Kreutzer Patent, No. 1,981,418, also, does not involve barn cleaning.

(6) The McCornack Patent, No. 2,081,947 is a cleaning system based on gutters and a system of water pipes, not a dam-release system.

(7) The Bogert Patent, No. 2,233,766 utilizes a sprinkler system, again distinct from plaintiff's patent.

He came to the same conclusion previously reached by the Patent Office — none of defendant's prior art references anticipated plaintiff's invention.

The Supreme Court held in Graham v. John Deere, *supra*, 383 U.S. at 19, 86 S.Ct. 684, that 35 U.S.C. § 103, passed in 1952, merely codified pre-existing requirements and did not relax the standard for patentability. As early as 1851, in Hotchkiss v. Greenwood, 52 U.S. (11 How.) 248, 13 L.Ed. 683, the Supreme Court posited the condition that a patentable invention must evidence more ingenuity and skill than that possessed by an ordinary mechanic acquainted with the business. That basic standard remains intact. Section 103 simply substitutes the term "nonobvious" for prior terms such as "invention" and "ingenuity" in order to emphasize the objective nature of the test and avoid the misunderstanding stemming from the controversial phrase "flash of creative genius" coined in Cuno Corp. v. Automatic Devices Corp., 1941, 314 U.S. 84, 62 S.Ct. 37, 86 L.Ed. 58.

Thus, novelty, utility and wide commercial success are not enough to assure patentability. A combination is unpatentable, notwithstanding novelty and usefulness, if it is, in view of the prior art, an obvious expedient of a skilled worker in the art. See Deller's Walker on Patents, 2nd ed., § 71, p. 333. Hence, where the defendant in a combination patent infringement suit offers references to the prior art to negate patentability, those references may not be combined to anticipate the patented claim unless they suggest to one with ordinary skill in the art doing what the applicant has claimed.

None of the prior art references proffered by defendant in this case, independently or combined, suggest that plaintiff's novel flooding mechanism was an obvious advancement in the art. To the contrary, the record reveals that those skilled in the art reacted to the advancement with surprise (see App. 208; 266). Different evidence referring to truly analogous prior patents or simultaneous solutions might have compelled a finding of obviousness, but this record is devoid of such evidence.

Certainly, the gravitational principle that water runs downhill is both old and obvious; yet, plaintiff does not seek to patent gravity. Instead, plaintiff strives to acquire official recognition of its rights in a precise combination of mechanical components capable of harnessing a sudden rush of water to effectively clean a modern dairy barn. The prior art did not mother this audacious device; Gribble and Bennett's inventive faculties did.

The clearly erroneous standard of review is applicable to findings of fact in a patent case. See F.R.Civ.P. Rule 52; Railex Corp. v. Speed Check Co., 5 Cir. 1972, 457 F.2d 1040; American Seating Co. v. Southeastern Metals Co., 5 Cir. 1969, 412 F.2d 756, 758. Although this Court has viewed with disfavor a trial judge's uncritically accepting proposed findings, this unfortunate practice does not erase the clearly erroneous rule. Louis Dreyfus & CIE. v. Panama Canal Co., 5 Cir. 1962, 298 F.2d 733.

Anticipation of the contested patent by prior art structures is largely a question of fact, but the critical issue of nonobviousness requires a mixed factual-

legal determination. Laitram Corp. v. Deepsouth Packing Co., 5 Cir. 1971, 443 F.2d 928, 932; Anderson's Black Rock, Inc. v. Pavement Salvage Co., 1969, 396 U.S. 57, 90 S.Ct. 305, 24 L.Ed.2d 258.

In the instant case, the district judge did not specifically find that the patent was anticipated by prior art structures. (See App. 164-177.) He did conclude that plaintiff's invention was obvious, and, as a mixed factual-legal determination, that conclusion must be given strong credence by this Court. But the facts presented at trial clearly do not support a finding of obviousness under the three-pronged *Graham* test, and, even under the strictures of a limited standard of review, this Court must reverse.

The Presumption of Patent Validity

A patent is presumed valid and the burden of establishing its invalidity rests on the party asserting it. See 35 U.S.C. § 282. Although the presumption of patent validity is rebuttable, Radio Corp. of America v. Radio Engineering Labs, 1934, 293 U.S. 1, 55 S.Ct. 928, 79 L.Ed. 163, the quantum of proof needed to rebut that presumption is greater than a mere preponderance of the evidence. Hobbs v. United States, 5 Cir. 1971, 451 F.2d 849, 856; Railex Corp. v. Speed Check, *supra*, 457 F.2d at 1040.

If it can be demonstrated that the Patent Office was not shown or did not consider additional pertinent prior art, the presumption of validity is weakened. B. F. Goodrich Co. v. Rubber Latex Products, Inc., 6 Cir. 1968, 400 F.2d 401; Stamicarbon, N.V. v. Escambia

Chemical Corp., 5 Cir. 1970, 430 F.2d 920. But presentation by defendant of exactly the same prior art references relied on by the Patent Office reinforces, rather than destroys, the presumption of validity. Stamicarbon N.V. v. Escambia Chemical Corp., *supra* p. 926; Johns-Manville Corp. v. Cement Asbestos Products Co., 5 Cir. 1970, 428 F.2d 1381.

Accordingly, this Court has seen fit to override the statutory presumption of patent validity where previously undisclosed references to analogous prior art structures are revealed at trial, Ramirez v. Perez, 5 Cir. 1972, 457 F.2d 267; see also Graham v. John Deere, *supra*, 383 U.S. at 26, 86 S.Ct. 684, but the circumstances in this case compel a contrary result.

At trial, defendant cited only five prior art patents, all of which were previously considered by the Patent Office. Defendant introduced a single witness. That witness' ambiguous testimony, balanced against the impressive array of evidence proffered by plaintiff, failed to rebut the presumption of patent validity. Yet, the district court did not once mention the patent's presumptive validity in its findings of fact and conclusions of law.

The Requirement of Nonobviousness

The requirements for patentability are primarily statutory. The purpose of the patent laws is "to promote the Progress of * * * useful Arts, by securing for limited Times to * * * Inventors the exclusive Right to their * * * Discoveries." U.S.Const., Art. I, § 8, cl. 8. That purpose is implemented by 35 U.S.C. § 101, defin-

ing a patentable invention as one that is both new and useful, and § 103 further requiring that,

> "A patent may not be obtained though the invention is not identically disclosed or described as set forth in § 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

The concept of nonobviousness is elusive. The patentability of any given invention can only be determined by applying general principles gleaned from relevant cases to the specific facts involved, with a constant eye on the constitutional purpose of the patent laws.

In the first Supreme Court case interpreting section 103, Graham v. John Deere, *supra*, the Court held two separate patents unpatentable. The first, an asserted advancement in plow shank design, was found to be substantially identical to a prior patent, not considered by the Patent Office, whose parts were simply inverted. The second structure, a plastic finger sprayer with "hold-down" cap, lacked the requisite nonobviousness, because the advancement rested upon an "exceedingly small and quite non-technical mechanical difference[s] in a device which was old in the art." *Graham, supra*, 383 U.S. at 36, 86 S.Ct. at 703. Although the Court in *Graham* clearly rejected the Fifth Circuit rationale that an invention is patentable

when it produces an "old result in a cheaper and otherwise more advantageous way," what precise test, if any, that Court substituted is unclear.

Several post-*Graham* cases have emphasized the necessity of a technical improvement and apparently permitted the ultimate issue of patentability to turn on a technical-nontechnical distinction. In United States v. Adams, 1965, 383 U.S. 39, 86 S.Ct. 708, 15 L.Ed.2d 572, a new wet cell battery was held patentable, because it constituted a combination which was a specific solution to *technical* problems. *See* Sterner Lighting, Inc. v. Allied Electrical Supply, Inc., 5 Cir. 1970, 431 F.2d 539, 542. In *Sterner* a novel lamp-post base design was found patentable under the following test:

> "Whether the patentee has solved *non-trivial technical problems* by purposefully manipulating variables so as to elicit a synergistic result from his materials." [Emphasis supplied.]

Other cases, rather than focusing on the technical complexity of the improvement, have stressed the reaction of experts in the art. If noted experts express initial disbelief, that fact is probative of nonobviousness. See United States v. Adams, *supra* p. 52, 86 S.Ct. 708; but see Railex Corp. v. Speed Check Co., *supra*, 457 F.2d at 1045, where an unexpected result was treated as relevant to novelty, not nonobviousness. The concepts are often intertwined.

All of the cases agree that considerations of commercial success, long felt but unresolved needs, and

failure of other structures to achieve the same results are important secondary factors but not directly determinative of nonobviousness. *Graham*, *supra*, 383 U.S. at 17, 86 S.Ct. 684.

Although the plaintiff's flush system does not embrace a complicated technical improvement, it does achieve a synergistic result through a novel combination. The Gribble/Bennett invention involves far more than a mere inversion of parts and the problem solved was not trivial. The little expert testimony presented at trial supports the conclusion that the system was initially viewed with disbelief. The inventors did not take a common structure and make a minor change like the tortilla maker in Ramirez v. Perez, *supra*, who merely removed the studs from a waffle iron. Instead, they constructed a totally new structure (although admittedly out of old parts) and achieved a dramatic result. If a mechanic reasonably skilled in the applicable art could have anticipated this result, the record does not show it.

On the basis of the record before us, we reverse the judgment of the district court and find that the patent is valid. The case is remanded for a determination of the issue of infringement, and for such further proceedings as may be appropriate, consistent with this opinion.

Reversed and remanded.

APPENDIX D

AG PRO, INC., Plaintiff-Appellant,

versus

Bernard A. SAKRAIDA, Defendant-Appellee.

No. 29708.

United States Court of Appeals, Fifth Circuit.

Feb. 1, 1971.

Before RIVES and SIMPSON, Circuit Judges, and NICHOLS,* Judge of the Court of Claims.

SIMPSON, Circuit Judge:

The issue before us in this patent infringement case is the propriety of the entry of summary judgment by the district court in favor of the defendant-appellee, Bernard A. Sakraida. This summary judgment meets the fate of many others before it. We reverse and remand for further proceedings.

On October 8, 1968, the suit was filed claiming infringement of United States Letters Patent No. 3,223,070, titled "Dairy Establishment". The plaintiff, Ag Pro, Inc. is the owner of the patent as assignee of the inventors, Donald Joseph Gribble and Henry E. Bennett. The corporation was formed by Gribble and

* Honorable Philip Nichols, Jr., sitting by designation.

Bennett for the purpose of commercially exploiting the invention disclosed in the patent.

The patent deals with the ancient and puzzling problem of disposing conveniently and profitably of the excrement (referred to by the parties and herein as offal) of domesticated food-producing animals, and assertedly represents a solution of the problem as related to the dairy cow industry. Through utilization of a dairy barn with sloped, paved floors and large tanks of dammed upstream water, the invention deals with a flush-type system for removal of the offal from dairy barns. The offal was to be carried through drains into tanks from which it could be conducted to sprinkler systems on adjoining fields for use as fertilizer.

The defendant-appellee is a general contractor who specializes in the construction of agricultural buildings. Previously he had worked as a construction supervisor for the plaintiff on a dairy barn installation which was built in accordance with the patent in suit. The appellee subsequently contracted with other persons to build another dairy barn. The latter is alleged to be the infringing installation.

After pre-trial discovery, the defendant moved for summary judgment. In the motion for summary judgment the defendant raised no question as to the infringement of the patent, but rather directed his attack at the validity of the patent held by the appellant. On February 19, 1970, the trial court granted the defendant's motion, holding that the appellant's patent was a combination patent composed of a number of parts

or elements well known in the dairy business long prior to the date of filing the original application for the patent; that the combination patent did not result in anything new and patentable; that the case was controlled by the holding of the Supreme Court of the United States in Anderson's Black-Rock, Inc. v. Pavement Salvage Company, 1969, 396 U.S. 57, 90 S.Ct. 305, 24 L.Ed.2d 258; and concluding as a matter of law that there was no issue as to any material fact.

Rule 56(c) of the Federal Rules of Civil Procedure provides in pertinent part that a party is entitled to summary judgment:

> "* * * if the pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law."

The Rule was not complied with in this instance. The heart of the defense was that the plaintiff's "dairy establishment" combines a number of previously known and widely used components in a manner which is obvious and not inventive. This defense assumes the burden of meeting and overcoming the presumption of validity inhering to a patent issued by the patent office. Title 35 U.S.C., Section 282; Metal Arts Company v. Fuller Company, 5 Cir. 1968, 389 F.2d 319, 321. In support of the motion for summary judgment the defendants attached the oral deposition of Gribble, in which he described the elements of the patent. Also attached to the defendant's motion were the affidavits of the defendant Sakraida, W. C. Fairbanks,

and Archie Sharp. In these affidavits the affiants simply swore that dairy barns like that patented by the plaintiff have been used in the dairy industry prior to the date of the application for plaintiff's patent. The affiants also state the conclusion that there is nothing novel or patentable in plaintiff's patent. Ag Pro, Inc. countered the defendant's motion with affidavits of Gribble and M. G. Huber. These affidavits do not deny that the patent is a combination of a number of previously known elements, but they do contend that the combination patent is a product of invention. They further swear that to their knowledge no dairy barns like that patented were in existence prior to the application for patent. In essence the plaintiff's affidavits contradict the defendant's supporting evidence regarding the prior art and obvious nature of the thing patented. It should be emphasized that the district court did not have any patents or publications regarding the prior art before it at the time summary judgment was granted. The only information before the court regarding the prior art was the conclusory statements contained in the affidavits and correspondence between the Patent Office and Gribble and Bennett's attorney which was written during the time the patent application was pending.

Summary judgment is the rare exception, see Ronel Corporation v. Anchor Lock of Florida, Inc., 5 Cir. 1963, 325 F.2d 889, and not the rule in patent infringement cases. Inglett & Company v. Everglades Fertilizer Company, 5 Cir. 1958, 255 F.2d 342; Hycon Manufacturing Company v. H. Koch & Sons, 9 Cir. 1955, 219 F.2d 353; Gray Tool Company v. Humble Oil & Refining Company, 5 Cir. 1951, 186 F.2d 365; Adams v. Columbus Manufacturing Company (M.D. Ga. 1958),

169 F.Supp. 346. In the recent case of Stamicarbon N. V. v. Escambia Chemical Corp., 5 Cir. 1970, 430 F.2d 920, 924, we again stated: "* * * obviousness is a question of law *determined against the factual background of the state of the prior art and the claimed improvement on it.*" (Emphasis added).

In the landmark decision of Graham v. John Deere Company, 1965, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545, the Court noted the importance of a meticulous review of the factual aspects of the case in arriving at a determination of the question of obviousness vel non:

> "While the ultimate question of patent validity is one of law, Great A. & P. Tea Co. v. Supermarket Equipment Corp., supra, 340 U.S. at 155, 71 S.Ct. at 131 [95 L.Ed. 162], the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several *basic factual inquiries*. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy. See Note, Sub-

tests of 'Nonobviousness': A Nontechnical Approach to Patent Validity, 112 U.Pa.L. Rev. 1169 (1964).

This is not to say, however, that there will not be difficulties in applying the non-obviousness test. What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context. The difficulties, however, are comparable to those encountered daily by the courts in such frames of reference as negligence and scienter, and should be amenable to a case-by-case development. We believe that strict *observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act.*" (Emphasis added)

383 U.S. 17-18, 86 S.Ct. 694, 15 L.Ed. 2d 556.

These pronouncements highlight the need for exceptionally diligent attention by the district court to the facts in making a determination of patentability, and emphasize the limited applicability of F.R.Civ.P. 56 to patent cases. The documents filed in the instant case in support of and opposed to the motion for summary judgment make it clear that paramount issues of fact concerning the state of the prior art are unresolved. That being the case, summary judgment was not appropriate.

On remand, and after a full airing and finding of the facts the district court may find as a legal conclusion that *Anderson's Black-Rock, Inc.*, supra, is still

applicable, or it may be that the facts prove that obviousness was not such that the plaintiff should be denied the benefit of his patent. We are careful to express no opinion whatever as to these matters. We simply reiterate our holding that the legal determination of patentability cannot be made here until the facts are resolved, and it is apparent that the facts were not resolved at the time summary judgment was entered. This was not the "rare patent case which can be * * * summarily truncated." Adams v. Columbus Mfg. Co., D.C.M.D.Ga., 169 F.Supp. 346, 348.

Reversed and remanded for further proceedings.

APPENDIX E

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 74-1712

AG PRO, INC.,
Plaintiff-Appellant,

versus

BERNARD A. SAKRAIDA,
Defendant-Appellee.

Appeal from the United States District Court for the Western District of Texas

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ON PETITION FOR REHEARING

(June 9, 1975)

Before BROWN, Chief Judge and GODBOLD and CLARK, Circuit Judges.

PER CURIAM:

IT IS ORDERED that the petition for rehearing filed in the above entitled and numbered cause be and the same is hereby DENIED.